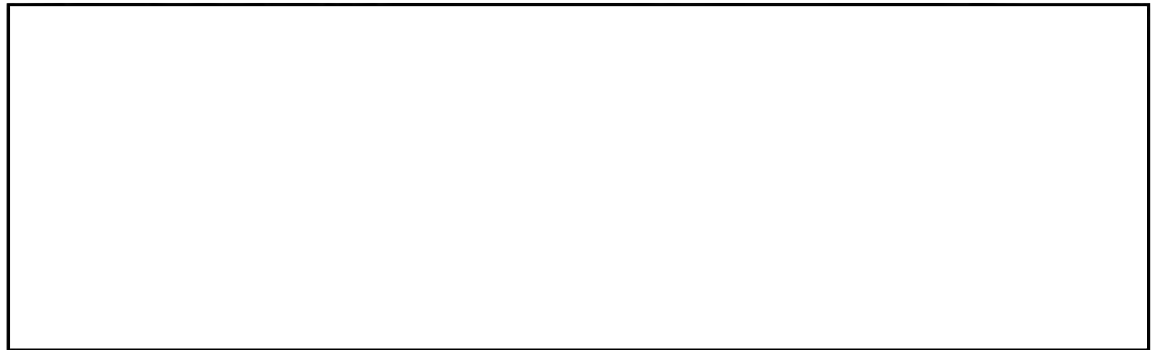


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Siege in the Netherlands Continues

A dozen or so South Moluccan terrorists are still holding more than 50 hostages on the train near Beilen and in the Indonesian consulate in Amsterdam. Authorities continue to ignore absurd demands by the terrorists--the latest calling for Indonesian President Suharto to come to the Netherlands--and seem intent on waiting them out.

The death yesterday of an Indonesian diplomat who was injured when he jumped from a window in the consulate last week brought the death toll to four. No hostages have been executed since a train passenger was shot on December 4. Most of the children in the consulate school have been released.

An Indonesian newspaper condemned the Dutch government for "allowing" the incidents to happen. The paper theorized that now, perhaps, the Dutch government would take steps to breakup the Moluccan independence movement.

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Antunes Cites Dangers of Early Return to  
Civilian Rule

Major Ernesto Melo Antunes, a key member of Portugal's Revolutionary Council, has announced that the military is prepared to allow civilians a greater role in running the country, but he ruled out an early return to civilian rule.

Speaking at a press conference on Tuesday, Antunes conceded that the Armed Forces Movement--which has dominated Portugal for the past 20 months--may have to surrender its role as the vanguard of the revolution. He confirmed that a revision of the pact signed with the political parties last spring is underway, but he stressed that a precipitate withdrawal by the military could endanger its program for leading the country to socialism.

Antunes, who has political ambitions of his own, was responding to recent demands by military as well as civilian political leaders that the Armed Forces Movement relinquish power and "return to the barracks."

Among the officers pushing for the military to withdraw from politics are a number of respected professional soldiers who believe the people should be allowed to decide whether socialism is what they want. Although their strength is not known, several of the officers are believed to have played a key role in putting down the November 25-26 leftist military rebellion. There is evidence that the influence of the group is growing and that it may exert increasing pressure upon the Antunes faction to change both its gradualist approach to returning power and its attachment to socialism as an unalterable goal.

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The Azevedo government, meanwhile, has survived a split in the centrist Popular Democratic Party. The compromise resolution on Communist participation in the cabinet passed by the party at its congress on Saturday has assured continuation of the sixth provisional government. A subsequent power play by party secretary general Sa Carneiro, however, led to the resignation of the leadership of the party's left wing. Reacting to the secretary general's autocratic attempts to dominate the party secretariat, one cabinet minister, two secretaries of state, and 17 members of the party's delegation to the constituent assembly have already bolted and more defections are expected.

Prime Minister Azevedo has agreed to allow Sa Carneiro to replace dissident party members in the government, but the status of the assembly members has not been determined.

The split has resulted in a more homogeneous party firmly under Sa Carneiro's control, but the party also has lost some of its most effective political organizers. Unless a reconciliation is achieved, which now seems unlikely, the party may have succeeded in limiting its appeal exclusively to the right.

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West German Government Drafts New Co-determination  
Bill

The two parties in Chancellor Schmidt's coalition government, after protracted negotiations, agreed this week on new legislation to increase the role of labor in industrial management. Both parties will push for parliamentary ratification this spring.

Many compromises were necessary, given the sharp differences between the Social Democrats and the business-oriented Free Democrats. Leaders of both parties feared, however, that the Schmidt government would lose crucial votes in the 1976 national elections if it could not deliver on this major reform promised by the Brandt-Scheel administration six years ago.

At present, the coalition parties have a comfortable majority in the lower house of parliament, but recent polls indicate that the electoral race against the opposition Christian Democrats could be close.

In striking a compromise with their more conservative coalition partners, the Social Democrats are running a calculated risk. Trade union leaders, particularly spokesmen for the nation's labor federation, are disappointed in the draft legislation. Although workers will enjoy equal representation with management on the supervisory boards projected for firms with more than 2,000 employees, tie votes will be broken by a chairman elected by each firm's stockholders.

This concession was unavoidable, however, after German firms and subsidiaries of multinational

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corporations raised serious legal objections to permitting unions to dictate or stymie management policy. The bill now should also survive attacks from the opposition parties which, along with the conservative Free Democrats, had argued that earlier proposals were unconstitutional.

Despite their disappointment, union leaders have indicated that they will "respect" the compromise legislation. This moderation is partly a result of strenuous efforts by Schmidt and Economic Minister Friderichs to persuade workers that their maximum demands are unrealistic.

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